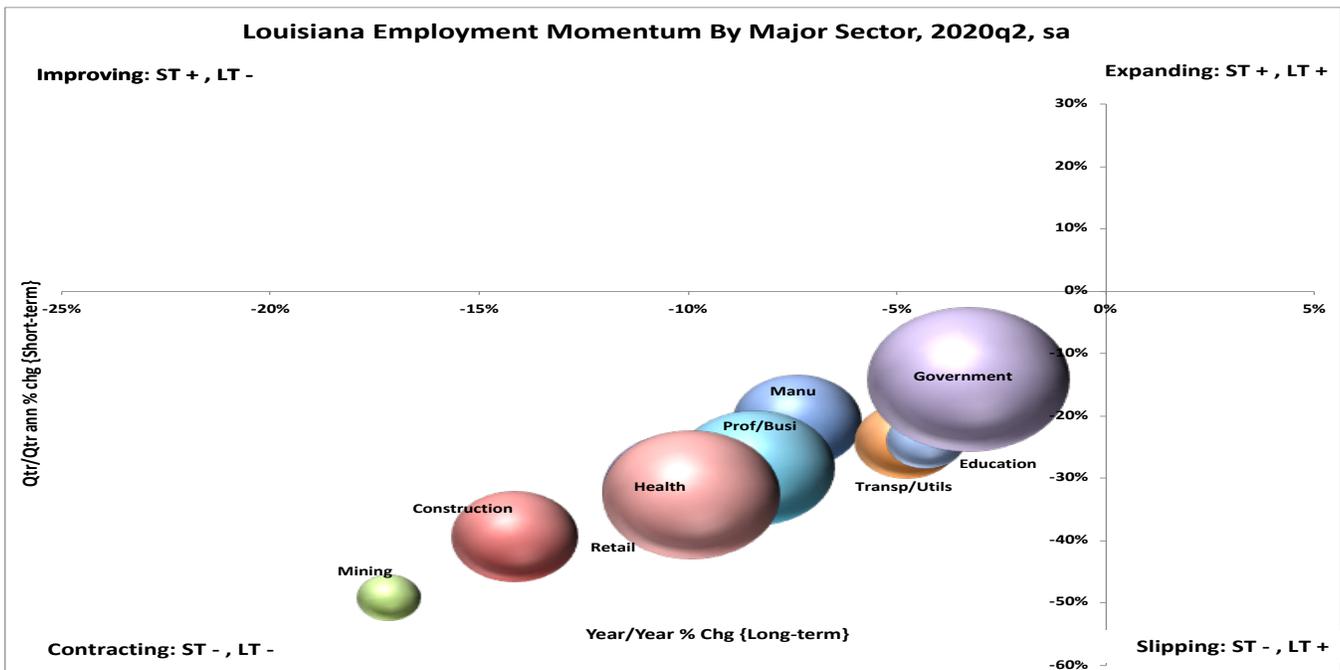




## Employment Growth Momentum 2019 Fourth Quarter (Pre-Covid) to 2021 Third Quarter (Covid-Recovery)

employment outlook, with the economy, on net, exhibiting slightly negative momentum. A visual indicator of the lack of momentum for the economy at that time was the clustering of most sectors closely around the graph's origin, indicating that only small positive or negative values were being exhibited for the growth coordinates of most sectors. This can suggest an economy poised for more robust growth, but also indicates heightened vulnerability to adverse shocks to the economy. Those adverse shocks began to be realized late in 2019 and early 2020 as oil prices weakened from the OPEC+ market share dispute, and then near the end of the first quarter of 2020 as consumers began to stay at home to avoid to the coronavirus, followed by stay-at-home orders and mandatory business closure policies. The effects of those behaviors and actions resulted in the 2020 2<sup>nd</sup> quarter recession depicted in the momentum graph below.

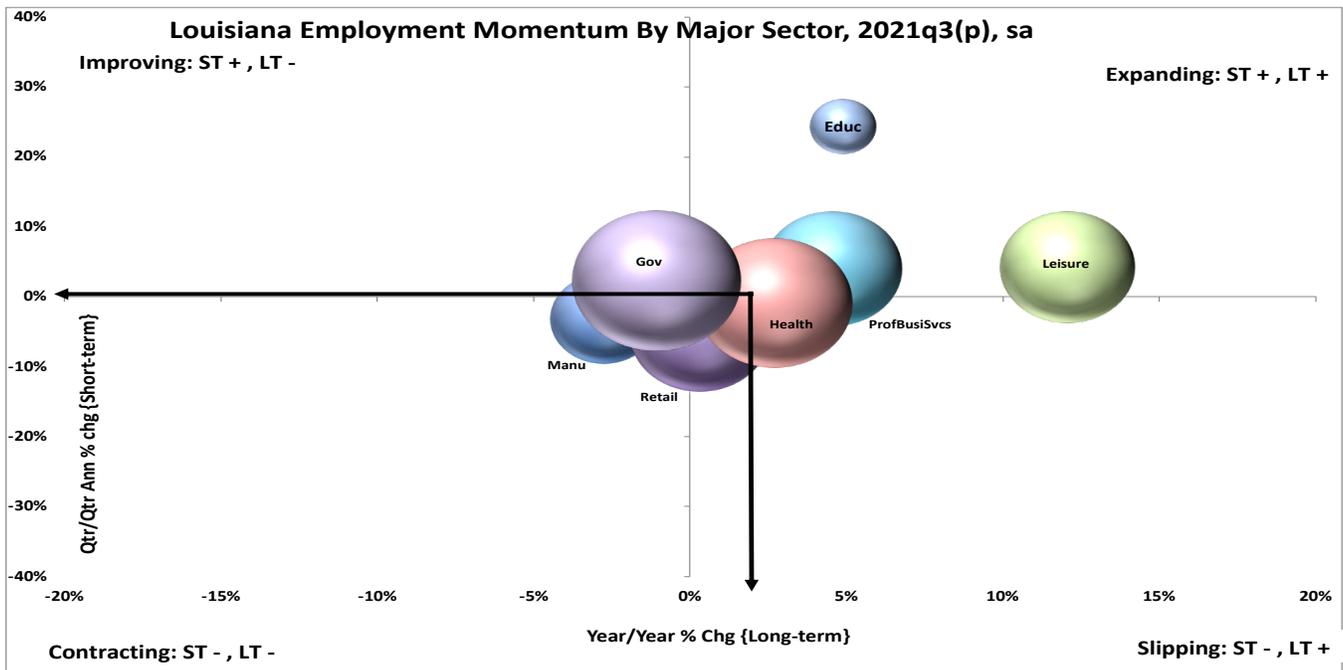


<b>Louisiana Employment Momentum By Major Sector, 2020q2, sa</b>					
Quadrant	SuperSector	Year/Year % Chg {Long-term}	Qtr/Qtr ann % chg {Short-term}	Relative Sector Size	
CONTRACTING	Manufacturing	-7.4%	-20.9%	8.4%	
CONTRACTING	Construction	-14.1%	-39.4%	8.0%	
CONTRACTING	Mining	-17.2%	-49.2%	2.0%	
CONTRACTING	Retail	-10.1%	-31.8%	13.2%	
CONTRACTING	Prof & Busi Svcs	-8.4%	-28.3%	13.0%	
CONTRACTING	Transp & Utilities	-4.8%	-24.2%	5.4%	
CONTRACTING	Education	-4.3%	-24.0%	3.0%	
CONTRACTING	Health	-9.9%	-32.7%	16.0%	
CONTRACTING	Leisure	-34.9%	-82.1%	10.1%	
CONTRACTING	Government	-3.3%	-14.2%	20.9%	

As depicted and quantified above, for the 2020 2<sup>nd</sup> quarter, all of the ten sectors plotted were centered within the contracting quadrant, reflecting a broad-based recession being experienced by the state as a result of the coronavirus pandemic. Dramatic employment losses occurred in March and April; 284,000 jobs lost in those two months from the February 2020 job count. While 61,000 jobs or 21% of the job loss had been added back in the months of May and June, as of the end of the 2<sup>nd</sup> quarter of 2020, all major sectors were well within the contracting quadrant (lower left) with both negative annual growth and latest-quarter growth.

As depicted in the graph below of the 2021 3<sup>rd</sup> quarter, the bounce-back from the pandemic recession has been significant, although there are still two of the ten sectors that are still exhibiting long-term decline relative to where they were a year earlier (negative year/year % change), and only five of the ten are exhibiting positive momentum in the latest quarter (2021q3) relative to the prior quarter (2021q2).

## Employment Growth Momentum 2019 Fourth Quarter (Pre-Covid) to 2021 Third Quarter (Covid-Recovery)



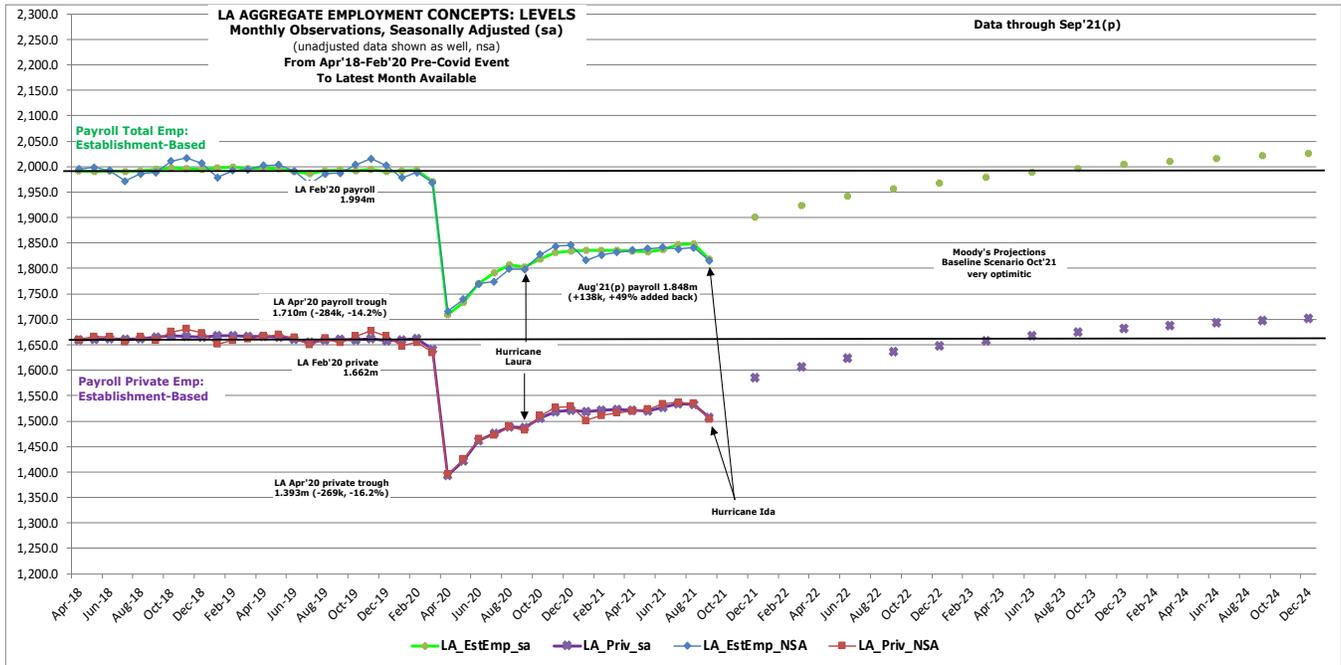
<u>Louisiana Employment Momentum By Major Sector, 2021q3(p), sa</u>						
Quadrant	SuperSector	Year/Year % Chg {Long-term}	Qtr/Qtr Ann % chg {Short-term}			Relative Sector Size
CONTRACTING	Manu	-2.8%	-3.1%			7.8%
SLIPPING	Constr	0.4%	-1.9%			7.2%
EXPANDING	Mining	3.1%	4.6%			1.9%
SLIPPING	Retail	0.3%	-5.2%			13.4%
EXPANDING	ProfBusiSvcs	4.6%	4.0%			13.1%
SLIPPING	Trans&Utils	0.5%	-0.2%			5.0%
EXPANDING	Educ	4.9%	24.3%			2.9%
SLIPPING	Health	2.7%	-0.8%			16.7%
EXPANDING	Leisure	12.1%	4.2%			12.4%
IMPROVING	Gov	-1.1%	2.3%			19.6%

As quantified in the table above, underlying the momentum graph, sectors that contain 50.2% of payroll employment are still in the slipping or contracting quadrants, with sectors that contain 49.8% of employment in the improving or expanding quadrants. The two most obvious sectors are the leisure sector exhibiting the highest long-term (year-over-year) growth at 12.1%, and a relatively good positive short-term (quarter-over-quarter) annualized growth rate of 4.2%. Leisure is making a comeback, but almost anything would look good compared to a year ago when the pandemic was still going strong. The education sector is exhibiting good year-over-year growth, and the highest short-term momentum. The data is seasonally adjusted, so the return to school third-quarter-from-second-quarter being this strong seems unusual, but nothing in the last eighteen months has been usual. Note, though, that while a definite improvement from the trough of the recession in 2020, much of the economy is back to a position either poised for take-off or vulnerable to another shock.

The recovery is occurring, but it cannot be described as strong in the aggregate. An overall calculation of the center of mass of all ten sectors combined is depicted with the coordinates of the two heavy black arrows: 2.1% Yr/Yr, 0.7% Qtr/Qtr; the sectors overall lying close on both axes, reflecting either relatively low long-term and lower short-term growth performance. Over the sixteen-month period of May 2020 to August 2021, the economy added back only 49% of the total payroll jobs lost in the two-month period of March and April of 2020. Rapid employment add-back of the early recovery months has given way to slower add-back in the subsequent recovery months, and it seems that it will be a considerable time before the economy fully recovers from the effects of the pandemic.

# Employment Growth Momentum 2019 Fourth Quarter (Pre-Covid) to 2021 Third Quarter (Covid-Recovery)

The effects of Hurricanes Laura and Ida in Sep'20 and Sep'21, respectively, have exacerbated the recovery from the pandemic as depicted in the graph of total payroll employment below.



The effect of September 2021 hinders the current quarterly momentum picture, as it did for 2020q3. Once subsequent months/quarters of data are reflected, a return to a more consistent recovery path should occur. However, the recovery path depicted above by Moody's Analytics seems overly optimistic with pre-covid employment levels attained by mid-2023. Looking at the path prior to September 2021, it may be more reasonable to expect pre-covid levels to be attained sometime later, possibly in mid to late 2024.